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SUBJECT: CARIBBEAN ENERGY SEMINAR SPOTLIGHTS ISLAND INITIATIVES AND RENEWABLE OPTIONS

REF: NASSAU 429

¶1. (U) SUMMARY: Advancing U.S. energy diplomacy in the Caribbean, the USG partnered with the OAS and the GCOB to host a two day regional sustainable energy event July 23-24 in Nassau. The USG-funded, OAS-sponsored seminar brought Caribbean leaders together with energy experts from the OAS, CARICOM, and other multilateral institutions and lending organizations. Embassy Nassau joined with the Departments of Energy and Commerce to sponsor a business roundtable July 24 on strengthening public-private partnerships to develop Caribbean renewable energy projects. The roundtable spotlighted a new U.S.-New Zealand International Partnership for Energy Development in Island Nations, and the announcement of two new OAS grants as part of U.S.-Brazil cooperation on biofuels. High-level USG involvement demonstrated commitment not only to promoting renewable energy but also to helping regional partners address energy challenges. The GCOB is beginning to think seriously about energy options, and Embassy Nassau is working to keep renewables on the front-burner. END SUMMARY.

OAS SEMINAR: NO CONSENSUS ON REGIONAL STRATEGY

¶2. (U) The "Caribbean Regional Sustainable Energy High Level Seminar" July 23 brought government officials from Caribbean island nations together with energy experts from multilateral organizations, including the OAS and CARICOM, lending institutions, such as the Inter-American Development Bank (IDB), and academia. U.S. Ambassador to The Bahamas Ned L. Siegel, Assistant Secretary General to the OAS Ambassador Albert Ramdin, and Bahamian Minister of Environment, Earl Deveaux acknowledged in their opening remarks the Caribbean's heavy dependence on fossil fuels, the dampening effect of the rising cost of oil and transport on regional economies, and the need for immediate energy efficiency coupled with environmental awareness. All stressed the need for collaboration and cooperation to achieve progress in developing alternative energy sources in order to keep the region economically viable and competitive.

¶3. (U) Panelists from the OAS, CARICOM, IDB, and other multilateral and lending organizations addressed the implementation of the Caribbean Renewable Energy, Energy Efficiency and Bioenergy Action Program (CREBAP), the financial challenges of sustainable energy development, and bridging the gap between recipient countries and donors. Energy ministers and officials from a dozen Caribbean nations and territories directed questions to panelists regarding the specific challenges their countries face in the development of renewable energy, especially citing access to funding and the difficulty of crafting national policy in the context of regional cooperation. Acknowledging the diverse renewable energy resources of the Caribbean, energy officials were divided on whether to apply a regional or national approach to implement renewable energy policy and whether power companies should be under government or private control.

¶4. (U) Regional participants included representatives of Antigua & Barbuda; The Bahamas; Barbados; Dominica; Dominican Republic; Guyana; St. Lucia; St. Kitts & Nevis; St. Vincent and the Grenadines; Suriname; and Trinidad and Tobago. A planned declaration toward the implementation of the CREBAP was not

adopted.

USG ROUNDTABLE: PUSH FOR PUBLIC-PRIVATE PARTNERSHIPS

¶5. (U) The "Business Roundtable: Opportunities in the Caribbean Renewable Energy Sector" July 24 facilitated dialogue between official and multilateral participants and private sector actors on developing and strengthening public-private partnerships as the preferred model of developing renewable energy sources. The attendance of high-level USG speakers, including Under Secretary of State Paula Dobriansky, DOE Assistant Secretary Andy Karsner, Governor of Hawaii Linda Lingle, and Overseas Private Investment Corporation president Robert Mosbacher, Jr., underscored USG commitment not only to promoting renewable energy but also to helping Caribbean partners address energy challenges.

¶6. (U) Under Secretary Dobriansky said in her remarks that development of renewable energy sources addressed the twin challenges of energy security and climate change. Assistant Secretary Karsner described alternative energy development as a three-legged stool comprised of capital markets, technology, and policy regulation. Governor Linda Lingle of Hawaii forcefully outlined accomplishments in increasing energy independence and stressed the importance of island nations' eliminating energy distribution monopolies and partnering with the private sector. Dan Arvizu, the director of the National Renewable Energy Laboratory, underlined his mission of getting technology out of the lab and into the marketplace.

¶7. (U) Panels addressed effective policy mechanisms and public-private partnerships, how to identify and select

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technologies, and paths to commercialization. Participants included operators of renewable energy facilities, financial institutions, and other private sector stakeholders with an interest in deploying renewable energy technologies in the region. Discussions centered on how sources of funding for alternative energy projects could be more easily accessed, how to advance the deployment of renewable energy technologies, and identifying the right renewable energy option to match the specific circumstances and comparative advantages of individual Caribbean states. Presentations from both days can be viewed at:

http://krcem.fiu.edu/DOS/index_files/agenda.htm

NEW DIRECTIONS

¶8. (U) Two new initiatives were launched before the roundtable:

-- DOE Assistant Secretary Karsner and New Zealand's Ambassador to the U.S., Roy Ferguson, signed terms of reference for the International Partnership for Energy Development in Island Nations (EDIN), an initiative to promote collaborative development of energy efficient and renewable energy technologies on island nations and territories, in order to improve global energy security and tackle global climate change.

-- The Ambassadors of Brazil and the U.S. joined OAS Ambassador Ramdin to announce that the Dominican Republic and El Salvador won biofuels technical assistance grants from the OAS, representing a step toward implementation of U.S.-Brazil cooperation on biofuels.

COMMENT

¶9. (U) In addition to promoting U.S. energy diplomacy in the region, the events further focused GCOB attention on the potential for renewables to alleviate the economic squeeze from high energy and food prices while capitalizing on the island chain's ample supplies of sun and wind. At Prime Minister Ingraham's urging, Environment Minister Deveaux asked the Ambassador for full, detailed information on conference proceedings, which Post provided. Informally, Minister Deveaux indicated the GCOB's interest in exploring renewable options for increasing power generation capacity

on Great Inagua, site of the Coast Guard/OPBAT base (reftel) as well as a unique nature preserve, albeit in the interest of future tourism and economic development. These are indications that the GCOB is beginning to think seriously about ways out of fossil-fuel dependency.

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